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09/100,684	06/19/1998	DANIEL E. TEDESCO	WD2-98-019	8826

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MYHRE, JAMES W

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Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No. 09/100,684	Applicant(s) Tedesco et al
Examiner James W. Myhre	Art Unit 2162

HG

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) Responsive to communication(s) filed on May 15, 2001.
- 2a) This action is FINAL. 2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

Disposition of Claims

- 4) Claim(s) 1-13, 22-26, and 28-30 is/are pending in the application.
- 4a) Of the above, claim(s) _____ is/are withdrawn from consideration.
- 5) Claim(s) _____ is/are allowed.
- 6) Claim(s) 1-13, 22-26, and 28-30 is/are rejected.
- 7) Claim(s) _____ is/are objected to.
- 8) Claims _____ are subject to restriction and/or election requirement.

Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on _____ is/are objected to by the Examiner.
- 11) The proposed drawing correction filed on _____ is: a) approved b) disapproved.
- 12) The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. § 119

- 13) Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).

a) All b) Some* c) None of:

1. Certified copies of the priority documents have been received.
2. Certified copies of the priority documents have been received in Application No. _____.
3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

*See the attached detailed Office action for a list of the certified copies not received.

- 14) Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

Attachment(s)

- 15) Notice of References Cited (PTO-892) 18) Interview Summary (PTO-413) Paper No(s). _____
- 16) Notice of Draftsperson's Patent Drawing Review (PTO-948) 19) Notice of Informal Patent Application (PTO-152)
- 17) Information Disclosure Statement(s) (PTO-1449) Paper No(s). _____ 20) Other: _____

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DETAILED ACTION

Request for Continued Examination

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on January 30, 2002 has been entered.

Response to Amendment

2. The amendment filed on January 30, 2002 has been considered but is ineffective to overcome the McNatt et al Business Week), Linnen et al (AT&T News Release), Jermyn (6,026,370), and Krauss (CED) references.

The amendment added new Claims 29 and 30. After entry of this amendment the currently pending claims are Claims 1-13, 22-26, and 28-30.

3. Applicant's request for reconsideration of the finality of the rejection of the last Office action is not persuasive and, therefore, the finality of that action is maintained. Applicant argues that the inclusion of Crosskey et al (6,035,281), Goldberg, Wall Street Access, Bucci, and Schumacher in the office action constitutes a new basis for rejection and, thus, a final rejection

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was not appropriate. The Examiner notes that the amendment submitted by the Applicant on May 25, 2001 (paper no. 15) added a priority claim to the amendment to pre-date the Krauss reference by several months. Both Krauss and the newly cited reference of Crosskey were cited as disclosing the feature of a second entity transferring funds directly to a first entity (page 3). The newly cited references were included in the last office action to show that this feature disclosed in Krauss was known and used well before the date of the Krauss article. This feature was further discussed in reference to personal experience of the Examiner and the newly cited Goldberg and Wall Street Access references. Since the Applicant's amendment of the priority of the application necessitated the use of the additional references, the finality of the action was appropriate. Likewise, since the below rejection relies solely on the references used in the previous rejection and no claim has been amended by the Applicant, this action will also be Final.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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5. Claims 1, 11-13, 22, and 29 are rejected under 35 U.S.C. 103(a) as being unpatentable over McNatt et al (Business Week) in view of Linnen et al (AT&T News Release) and in further view of Krauss (CED) and Crosskey et al (6,035,281).

Claims 1, 11-13, 22, and 29: McNatt discloses a system and method used by AT&T to acquire customers by providing an acquisition offer (check) to the potential customer if they switched to AT&T as their long distance carrier. Linnen discloses that this system has been practiced by AT&T and others since at least 1990 (See “History of slamming” on page 1).

However, as argued by the Applicant, neither McNatt nor Linnen discloses that the second entity will transfer the funds directly to the first entity. Crosskey also discloses a system and method for processing a subsidy payment on a user’s Internet connection bill, where an advertiser or content provider will pay some or all of the user’s connection time bill to the ISP when the user accesses the advertiser’s website or clicks on a link thereon (col 6, lines 18-38). Crosskey further discloses that the ISP could receive a “bonus” payment if the user actually purchases an item from the advertiser (col 8, line 66 - col 9, line 6). Thus, the user’s Internet connection bill is being paid in full or in part by an advertiser when the user becomes a customer of the advertiser.

Additionally, Krauss discloses several similar methods for acquiring new customers by a second entity (cell phone company, cable TV company, or digital TV broadcasters) in which the second entity transfers the funds directly to the first entity. For example, in the first paragraph on page 1, Krauss discloses that “the cellular phone company sends a check for \$200 to Circuit City. That covers the remaining cost of the phone.” and that “The cell phone company considers it a

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marketing cost or customer acquisition cost.” Thus, the customer’s bill at Circuit City for purchasing the cellular phone is being paid at least in part by the cellular phone company. While the Krauss article was published in February 1998, the Examiner can attest of personally experiencing this type of cellular phone subsidy while a sales associate for Radio Shack in 1991 and 1992. At that time the price of a cellular phone was, for example, \$250. A customer could purchase the cell phone for that price; or, if desired, sign a one or two year contract with a cellular phone service provider and pay only \$50 for the phone. I would then activate the customer’s new phone with the service provider’s codes, and Radio Shack would collect the remaining amount (\$200) from the service provider (the Examiner’s experience is further supported by Goldberg, “Making Your Wireless Quest Easier”). A similar well known example, which directs pertains to AT&T and other long distance carriers, is the customer acquisition method in which the long distance carrier will pay the switching fees to the phone company when the customer becomes AT&T’s customer (changes their long distance service to AT&T). Finally, Wall Street Access (Item O on Information Disclosure Statement filed by Applicant on June 19, 1998, paper number 2) discloses Wall Street Access paying the user’s basic real-time data fee to Signal, Signal Online, QuoTrek, BMI, StockEdge, or StockEdge Online when the user actively trades with Wall Street Access. This, once again, demonstrates the wide spread use of the marketing technique of a second party directly paying a portion of a user’s bill owed to a first party when the user becomes a customer of the second party as Applicant is claiming.

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In addition, while neither McNatt nor Linnen discloses how AT&T selects which potential customers are sent the offer (checks), Official Notice is taken that it is old and well known within the marketing arts to send acquisition solicitations (advertisements) to individuals who are not current customers of the business (for support of this Official Notice see Bucci (5,655,089) col 3, line 55-67). Official Notice is taken that the use of the customer database of a third party as a resource for potential customers which is cross-checked with the business' own customer database is also well known (for support of this Official Notice see Schumacher et al (5,060,165) col 7, line 67 - col 8, line 15). Official Notice is taken that it is also well known to identify customers within the database using a customer identifier, such as an account number, social security number, etc. (for support of this Official Notice see Bucci, col 2, lines 42-47). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made that AT&T would select an individual who was not a current customer as the recipient of their acquisition offer (check) and to make this selection by comparing AT&T's customer database with another customer database. One would have been motivated to select the potential customer in this manner in order to reduce the overall cost of the marketing program by eliminating such offers to present customers.

6. Claims 2-10, 23-27, and 30 are rejected under 35 U.S.C. 103(a) as being unpatentable over McNatt, Linnen, and Krauss as applied to claim 1 above, and further in view of Jermyn (6,026,370).

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Claims 2-5: McNatt, Linnen, and Krauss disclose a system and method used by AT&T to acquire customers as in Claim 1 above, but none explicitly disclose that the selection of the individual is based on satisfying predetermined criteria. Jermyn discloses a similar system and method to provide an offer to a competitor's customer by selecting individual's who meet certain predetermined criteria (col 2, line 59 - col 3, line 4; and col 6, line 61 - col 7, line 65) such as brand loyalty, number of members in the customer's household (demographic), address information (geographic), payment method (financial), and other demographic data. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to select the potential AT&T customers using similar criteria. One would have been motivated to select customers using predetermined criteria in order to increase the acceptance rate of the offer by targeting the most likely individuals.

Claims 9, 25, and 27: McNatt, Linnen, Krauss, and Jermyn disclose a system and method used by AT&T to acquire customers using predetermined criteria as in Claims 1, 2, 14, and 22 above. While none of the references disclose that the offer is being enclosed in a billing statement from the first entity, Official Notice is taken that it is old and well known within the marketing arts to insert advertisements (offers) in billing statements (for support of this Official Notice see Bucci, col 3, lines 55-59). In most instances, these advertisements are not for products of the billing entity, but are for products or services from third parties. These third parties normally pay the first entity a fee for inserting the advertisement. Furthermore, Applicant has given several examples of businesses paying billing statement issuers to include promotional materials with the

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billing statements (page 2, lines 25-30). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to insert the AT&T offer into the billing statement of the first entity, such as the local telephone company. One would have been motivated to do this in order to decrease the postage cost of separate mailings to AT&T and to provide increased revenue to the first entity through the collection of the insertion fees discussed above.

Claims 6, 7, and 23: McNatt, Linnen, Krauss, and Jermyn disclose a system and method used by AT&T to acquire customers using predetermined criteria as in Claims 1, 2, 14, and 22 above. While Jermyn discloses checking whether financial data from the customer database meets predetermined criteria, none of the references explicitly disclose that the customer database includes an amount due which is equal or less than a predetermined maximum amount. Official Notice is taken that it is old and well known within the marketing arts to make promotional offers to pay “up to” a certain amount (for support of this Official Notice see Mori (5,200,889) col 10, lines 41-44). For example, Nabisco™ attaches coupons to boxes of vanilla wafers which offer to pay up to 40 cents on the purchase of bananas. If the shopper only purchases 32 cents worth of bananas, the merchant will redeem the coupon for only 32 cents, not the maximum 40 cents. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to check the amount due by the customer and to authorize payment “up to” a maximum set by the second entity. One would have been motivated to pay the amount due up to

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the maximum payment amount in order to ensure that the first entity does not receive a larger amount than what it was due as discussed by Mori.

Claims 8 and 24: McNatt, Linnen, Krauss, and Jermyn disclose a system and method used by AT&T to acquire customers using predetermined criteria as in Claims 1, 2, 14, and 22 above. While none of the references disclose that the individual agrees upon acceptance of the offer to remain a customer of the second entity for a specified period of time, Official Notice is taken that it is old and well known within the marketing arts to present awards and incentives to new customers when they agree to remain customers for a specified period of time. For example, for years mobile telephones and now cellular telephones have offered numerous incentives, such as free phones, reduced rates, rebates, etc. to new customers who sign up for one, two, or more years of service (for support of this Official Notice see Goldberg (Point.com) page 2). These agreements often included substantial penalties if the customer switched to another carrier within the contracted period of service. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to require the new customer to remain with the second entity for a specified period of time. One would have been motivated to require this in order to reduce the number of customers who hop from one service to other just to take advantage of the current offer, such as has been experienced by the online service providers who offer one month free Internet connection when a user switches. Many users hop from one service provider to another, using up their free month of service, then canceling their account and signing with another service provider with a similar offer.

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Claim 10: McNatt, Linnen, Krauss, and Jermyn disclose a system and method used by AT&T to acquire customers using predetermined criteria as in Claims 1 and 2 above. While none of the references explicitly disclose that AT&T determines if the individual has accepted the offer, it is inferred that AT&T would determine this from the checks which had been cashed.

Claim 26: McNatt, Linnen, Krauss, and Jermyn disclose a system and method used by AT&T to acquire customers using predetermined criteria as in Claims 1, 2, and 22 above. McNatt and Linnen also disclose that the potential customer must receive the offer, indicate acceptance (by signing the check), and become a customer of the second entity (switch to AT&T). Examiner considers the act of signing the check as the equivalent as utilizing acceptance indicia on the billing statement. Furthermore, it is obvious that if the customer accepts the offer, this acceptance must somehow be communicated back to the second entity. Acceptance indicia are well known within the marketing arts and may take the form of check boxes, signatures, placing or removal stickers, etc. and that these indicia are located on other documents such as billing statements, game pieces, order forms, postcards, etc. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to also include a check box on the AT&T check to verify the customer's desire to switch to AT&T. One would have been motivated to include such an acceptance indicia in view of McNatt's discussion of the FCC guidelines to prevent "slamming".

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Claims 28 and 30: McNatt, Linnen, Krauss, and Jermyn disclose a method used by AT&T to acquire customers using predetermined criteria as in the above claims. The method receives data from a third party (AT&T) which indicates the amount the third party will pay to receive a new customer (the offer), selects a customer account from a plurality of customer accounts which indicate the customer and an outstanding balance due to the billing party, providing the offer with the billing statement to the customer, receives an acceptance of the offer (check cashed) from the customer, and transferring the offered amount from the third party to the billing party. These features have all been discussed in Claims 1-27 above. While the cited references do not disclose that the billing party is a credit card company nor that the amount offered by AT&T is not less than the minimum payment on the credit card bill, it would have been obvious to one having ordinary skill at the time the invention was made that the offer could be inserted in any billing statement to include credit card billing statements. As discussed above, it would have been obvious for AT&T to set a maximum amount that the offer would pay and to transfer an amount equal to the minimum payment to the billing party. One would have been motivated to apply the minimum amount (or greater) to the customer's credit card account in order to avoid customer confusion by obviating the need for the customer to also transmit a payment to the billing party after calculating the difference between any lesser payment by AT&T and the required minimum payment.

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Response to Arguments

7. Applicant's arguments filed January 30, 2002 have been fully considered but they are not persuasive.

a. Applicant argues that the Examiner's characterization of the invention omitted several claimed limitations, such as a billing statement which includes an offer to pay a portion of the billing statement if the individual becomes a customer of the second entity (page 4). The Examiner notes that this sentence characterizing the invention was directed towards only one limitation of the invention (a second entity directly paying the first entity a portion of the user's bill), not the whole invention. However, the characterization has been amended to include some of the Applicant's terminology. The extensive rejection of the claim, both before and after the characterization, has dealt specifically with each of the other limitations argued by the Applicant.

b. Applicant argues that the Bucci reference, cited in support of the Official Notice on page 4 of paper number 16, discloses sending advertisements to individuals who are currently customers of the businesses which bill them, and that the advertisements "which may be sent with the summary billing statement must be advertising from those businesses billing the individual" (page 4). The Examiner notes that Bucci makes no such disclosure that the advertisers and the billing entities must be the same. The only limitation disclosed is that the system will include multiple billing statements and possibly summary billing information and/or advertisements in one envelope; and that these items will be from subscribers to the consolidation system. While it is obvious that the billing summary is most likely from a subscriber who is including a billing

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statement, nowhere is it disclosed that the advertisements must also only come from subscribers who are including billing statements. Since the reference also discloses that the customer information gathered into a large database of customer buying patterns can be used for targeted marketing (col 3, lines 52-54) by the subscribers to the system and that it will result in the “combination of many forms of mailable materials, from different mailers into a single package” (col 3, lines 61-63), it obviates the Applicant’s assertion that the advertisement must come from the billing entities.

c. The Applicant again requests references in support of the Official Notices taken by the Examiner in the rejection of various claims. The Examiner notes that in the previous Office Action, paper number 15, each Official Notice rejection was accompanied by one or more references to support the Official Notice. These references are again cited in the rejection above and still provide support for the well known features in the claims. The method of citing these references has been changed to more clearly identify that they are being used to support the Official Notice, not to replace it.

Conclusion

8. All claims are drawn to the same invention claimed in the application prior to the entry of the submission under 37 CFR 1.114 and could have been finally rejected on the grounds and art of record in the next Office action if they had been entered in the application prior to entry under 37 CFR 1.114. Accordingly, THIS ACTION IS MADE FINAL even though it is a first action after

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the filing of a request for continued examination and the submission under 37 CFR 1.114. See MPEP § 706.07(b). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. James W. Myhre whose telephone number is (703) 308-7843. The examiner can normally be reached on weekdays from 6:30 a.m. to 3:30 p.m.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber, can be reached on (703) 305-8469. The fax phone number for Formal or Official faxes to Technology Center 2100 is (703) 746-7239 or 7238. Draft or Informal faxes for this Art Unit can be submitted to (703) 746-7240. Draft faxes may also be submitted directly to the examiner at (703) 746-5544.

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Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group Receptionist whose telephone number is (703) 308-3900.

JW

JWM

February 20, 2002

Eric W. Stamber

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